GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1194
ANSWERED ON:01.03.2001
STAKE OF ONGC VIDESH IN RUSSIAN OILFIELDS
LAXMINARAYAN PANDEY;UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC Videsh has acquired a 20% stake in a Russian oilfields;

(b) if so, the details thereof;

(c) whether Russian oilfields are also reputed to be afflicted with low recovery percentage;

(d) if so, the manner in which ONGC assess the oilfield before taking 20% of shares;

(e) the logic in acquiring stakes in foreign oilfields by ONGC; and

(f) the steps proposed to be taken to review such ventures?

Answer

Minister of State in the Ministry of Petroleum & Natural Gas (Shri Santosh Kumar Gangwar)

(a) & (b): ONGC-Videsh Ltd. (OVL) signed an Agreement on 10.2.2001 with the Russian national oil company Rosneft-S and its subsidiary SMNG-S, for acquisition of 20% interest in the Sakhalin -I offshore project in Russia.

(c) No, Sir. The fields in Sakhalin-I Project do not have low recovery percentages.

(d) The fields have been assessed by ONGC and also by international consultants considering all the techno-economic and commercial aspects.

(e) Considering the widening gap between demand and supply of oil and gas, acquisition of equity oil from abroad is an important plank of the strategy to achieve oil security. This is in addition to efforts to increase exploration and production in the country.

(f) Such ventures are reviewed by the Board of Directors of the Company, which have nominated directors from concerned Ministries, followed by a Committee of Secretaries constituted by the Government.